THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.

(b) and (c) The recommendations of the Sixth Central Pay Commission are under examination of the Government.

Steps to manage fiscal deficit

3744. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) what are the plans of Government to bring fiscal deficit to 3 per cent and even further below as this step would prove an important factor to ensure all round growth;

(b) whether the interest rate for investors be slightly increased so as to bring the saving rate around 35 per cent and its consequential impact to enhance investment rate to nearly 38 per cent; and

(c) whether public expenditure in health, education, drinking water and other sectors in rural areas would be increased so as to further improve their quantitative and qualitative reach?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per the Union Budget 2008-09, the fiscal deficit is already budgeted to decline, as a percentage of GDP, from 3.1 per cent in 2007-08 (RE) to 2.5 per cent in 2008-09 (BE).

(b) The interest rates in India are largely market determined except for certain small savings schemes. As per the Economic Survey 2007-08, the Gross Domestic Savings has already increased to a level of 34.8 per cent of GDP during 2006-07. The Gross Capital formation (Investment), during the same year had reached the level of 35.9 per cent of GDP.

(c) The allocation to Ministry of Rural Development which is the nodal Ministry for schemes with a focus on rural development has been stepped up from Rs. 33,000 crore in 2007-08 (RE) to Rs. 38,500 crore in 2008-09 (BE). The Budget 2008-09 has also made provisions of Rs. 13,100 crore for Sarva Shiksha Abhiyan, Rs. 12,050 crore for National Rural Health Mission and Rs. 7,300 crore for Rajiv Gandhi Drinking Water Mission. In addition, extension of Mid-Day-Meal Scheme to all blocks of the country, extended coverage of National Rural Employment Guarantee Scheme and provision for Total Sanitation Campaign are expected to address the quantitative and qualitative reach of public expenditure to the rural areas.

Withdrawal of IPO

3745. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that uncertainty in stock markets has taken its toll on the Initial Public Offerings (IPO) market, with some companies withdrawing their public offering due to poor response from investors;

(b) if so, what corrective measures have been taken by Government in this regard?